

# How Work Affects Your Social S

## *How much can I earn and still get benefits?*

If you work and are full retirement age (age 65 and six months in 2005) or older, you may keep all of your benefits, no matter how much you earn.

If you are younger than age 65 and six months all year, there is a limit to how much you can earn and still receive full Social Security benefits. If you are younger than age 65 and six months in all of 2005, the Social Security Administration must deduct \$1 from your benefits for each \$2 you earned above \$12,000.

If you turn 65 and 6 months during 2005, the government must deduct \$1 from your benefits for each \$3 you earned above \$31,800 until the month you turn 65 and six months.

## *How much will I get?*

The following table gives you an idea of how much you will receive in Social Security benefits for the year 2005, based on your monthly benefits and estimated earnings.

### **For people younger than age 65 and 6 months during the whole year**

| <b>If Your Monthly Social Security benefit is:</b> | <b>And you earn:</b> | <b>You Will Receive Yearly Benefits Of:</b> |
|--|----------------------|---|
| \$500  | \$12,000 or less     | \$6,000                                     |
| \$500  | \$15,000             | \$4,500                                     |
| \$500  | \$20,000             | \$2,000                                     |
| \$700  | \$12,000 or less     | \$8,400                                     |
| \$700  | \$15,000             | \$6,900                                     |
| \$700  | \$20,000             | \$4,400                                     |
| \$900  | \$12,000 or less     | \$10,800                                    |
| \$900  | \$15,000             | \$9,300                                     |
| \$900  | \$20,000             | \$6,800                                     |

# Security Benefits

## ***What income counts...and when is it counted?***

If you work for someone else, only your wages count toward Social Security's earnings limits. If you are self-employed, the Social Security Administration counts only your net earnings from self-employment. They do not count income such as other government benefits, investment—earnings, interest, pensions, annuities and capital gains.

If you work for wages, income counts when it is earned, not when it is paid. If you have income that you earned in one year, but the payment was made in the following year, it should not be counted as earnings for the year you receive it. Some examples are accumulated sick or vacation pay and bonuses.

If you are self-employed, income counts when

you receive it—not when you earn it—unless it is paid in a year after you become entitled to Social Security and earned before you became entitled.

There are special rules for the year that you retire. Contact the Social Security Administration (see below) for more information.

## ***Will my extra earnings increase my benefits?***

Your original Social Security benefit was based on your highest years of earnings. But each year, we review the records for all Social Security recipients who work. If your latest year of earnings turns out to be one of your highest years, we refigure your benefits and pay you any increase due. This is an automatic process and is usually completed by October of the following year.

## **Contacting the Social Security Administration**

For more information, visit the social security website at [www.socialsecurity.gov](http://www.socialsecurity.gov) or call toll-free, 1-800-772-1213 (for the deaf or hard of hearing, call our TTY number, 1-800-325-0778). They can answer specific questions and provide information by automated phone service 24 hours a day.